

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JUNE 27, 2023**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on June 27, 2023, was called to order by President Hamilton at 12:01 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

2. **ROLL CALL**

Present: Director Gasca (*via video conference*), Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Information Technology Manager Khattab, Human Resources Manager Harp.

Also Present Via Teleconference or Video Conference:

Consultant Cindy Krebs.

No members of the public were present in person, via teleconference or video conference before Closed Session.

3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

There were no amendments to the agenda.

4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

There were no members of the public in attendance via teleconference or video conference; therefore, the instructions were not read aloud.

5. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**

There were no comments.

The meeting adjourned to Closed Session at 12:02 p.m.

6. **CLOSED SESSION**

A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))

* One Item

(*) - Asterisk indicates a report is attached.

B. Appointment of Public Employee – General Manager (Government Code §54957)

The meeting reconvened at 12:55 p.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Time Certain: 1:00 p.m.

8. **REPEAT CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on June 27, 2023, was called to order by President Hamilton at 1:01 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

Present: Director Gasca (*via video conference*), Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Engineering and CIP Program Manager Williams, Information Technology Manager Khattab, Finance Manager Largent, Human Resources Manager Harp, Construction and Meters Supervisor Lagunas, Utility Worker Demary.

Also Present Via Teleconference or Video Conference:

Operations Manager Gutierrez, Wastewater Superintendent Zuniga, Administrative Analyst Barrow, Administrative Analyst Rubio, Grant Specialist Kim.

Thirteen members of the public were present for Open Session in person, via teleconference or video conference.

11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss two items and that there was no reportable action.

12. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)

There were no amendments to the agenda.

13. REPEAT INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE

President Hamilton read aloud the instructions for those attending the meeting via teleconference or video conference.

(*) - Asterisk indicates a report is attached.

**14. ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**

There were no comments.

15. EMPLOYEE RECOGNITION

- A. Excellence Coin Award**
1. Justin Demary

Mr. Kennedy noted Justin Demary a utility worker who runs many of RMWD's construction crews including most emergency after hour repairs. He mentioned how much he appreciated Mr. Demary's forthright attitude to getting stuff done, speaking up when things can be done better, as well as working cooperatively with everyone to make positive changes as reflected from his coworker's nominations. He presented Mr. Demary with a plaque in recognition of his achievement.

***16. APPROVAL OF MINUTES**

- A. May 23, 2023 - Regular Board Meeting**

Motion:

To approve the minutes.

Action: Approve, Moved by Director Gasca, Seconded by Director Mack.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

***17. BOARD OF DIRECTORS' COMMENTS/REPORTS**

Directors' comments are comments by Directors concerning District business, which may be of interest to the Board. This is placed on the agenda to enable individual Board members to convey information to the Board and to the public. There is to be no discussion or action taken by the Board of Directors unless the item is noticed as part of the meeting agenda.

- A. President's Report (Director Hamilton)**

President Hamilton presented Julie Johnson with one of RMWD's Challenge Coins as part of welcoming her to the RMWD Board of Directors.

- B. Representative Report (Appointed Representative)**
1. SDCWA
A. Summary of Board Meeting May 25, 2023

Mr. Kennedy reported on the two meetings that took place since the last RMWD Board meeting at which most of the discussion was related to SDCWA's budget and proposed rate increase.

(*) - Asterisk indicates a report is attached.

He mentioned ten agencies, including RMWD, that voted against both the budget and proposed rate increase; however, SDCWA's rates will increase next year.

Mr. Kennedy mentioned there was another Closed Session item related to initiating litigation related to the detachment matter to which he provided comments but was unable to attend. He stated he learned shortly after leaving, there was no action taken on this matter due to their being a lack of a quorum after several Board Members left the meeting.

2. CSDA

There was no report given.

3. LAFCO

Mr. Kennedy announced the detachment public hearing has been rescheduled for July 10, 2023.

4. Santa Margarita River Watershed Watermaster Steering Committee

There was no report given.

5. ACWA

Director Gasca recalled at a past meeting he reported on attending an ACWA workshop related to upcoming legislative initiatives. He recommended researching the Quench California website to find information regarding the need for infrastructure in California. He also mentioned a President and Vice President Town Hall meeting has been scheduled for July 19th at 2:00 p.m. for anyone interested in attending virtually.

Mr. Kennedy mentioned Director Johnson and Ms. Largent will attend an ACWA Region 10 event on June 29th.

C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
1. Board Seminar/Conference/Workshop Training Attendance Reports

Director Hamilton reported he has successfully completed the bi-annual required harassment training.

Director Gasca reported he has completed both the required biennial ethics and harassment training courses.

Director Johnson reported she has completed both the required biennial ethics and harassment training courses.

D. Directors Comments

There were no comments.

E. Legal Counsel Comments

1. Attorney Report: Proposition 218 (61641894)

President Hamilton pointed out there was a recent article published in the Los Angeles Times of legal visionaries in which RMWD's Legal Counsel, Alfred Smith, was recognized.

(*) - Asterisk indicates a report is attached.

Legal Counsel summarized the information contained in the written report.

18. COMMITTEE REPORTS

A. Budget and Finance Committee

Ms. Largent reported the committee was provided with a presentation on meter downsizing, as well as updates on the detachment and interim audit and the responses to the wastewater loans request for proposals.

B. Engineering and Operations Committee

Mr. Williams reported the committee met on June 7, 2023 at which time the members recommended the Board approve today's agenda Item #29. He noted today's agenda Item #24 was not prepared in time to present it to the committee; therefore, no action was taken.

C. Communications and Customer Service Committee

Ms. Harp reported the committee met on June 1, 2023 at which time Amanda Weber was introduced as RMWD's new Communications Administrative Analyst, Mr. Kennedy provided an update on the LAFCO process, and she provided updates on the customer service survey results, and submetering outreach. She noted the committee also discussed the newsletter content for both June and July, as well as recent media stories including one in The Village News regarding the RMWD high school field trip.

Time Certain 1:00 p.m. – Public Hearings

PUBLIC HEARINGS

*19. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 23-03 FOR ID 1 STANDBY CHARGES

President Hamilton opened the public hearing at 1:26 p.m.

Mr. Kennedy pointed out the \$10.54 parcel charge has not increased in several years.

President Hamilton closed the public hearing at 1:28 p.m.

Motion:

To approve Option 1 - Adopt Ordinance No. 23-03.

Action: Approve, Moved by Director Gasca, Seconded by Director Mack.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4, Noes = 0, Abstain = 1).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack.

Abstain: Director Townsend-Smith.

(*) - Asterisk indicates a report is attached.

***20. PUBLIC HEARING TO CONSIDER ADOPTING ORDINANCE 23-04 AUTHORIZING INCREASES IN THE RATES FOR RAINBOW MUNICIPAL WATER DISTRICT WATER AND WASTEWATER SERVICE FEES EFFECTIVE JULY 1, 2023**

Ms. Largent shared a presentation titled “Proposed Adjustments of Water and Wastewater Rates, Hearing for June 27, 2023”. She reviewed the rate setting processes as well as some of the challenges faced including inflation, delayed rate increases during detachment and COVID. She also pointed out some of the successes such as holding the operating budget flat, only allowing for inflationary increases, and reimplementing shutoffs and increased account collection efforts.

Ms. Largent mentioned IB Consulting was contracted to conduct a full Water and Wastewater Cost of Service Study. She noted when these studies are done, all the inputs are updated (meter counts, developer fees, reserve levels, sales, etc.). She noted these studies are reevaluated every year as part of the budget process to determine whether any of the assumptions from the previous year have changed. She pointed out this is a very interactive process that involves ratepayers who serve on the Budget and Finance Committee, the Board of Directors, as well as staff and how public input is always encouraged as part of determining the District’s course of action.

Ms. Largent stated the current key assumptions include water sales projected at 12,700 AF, as well as zero account growth and developer fee revenue. She noted these are very conservative assumptions and how with stagnation within the building market, nothing was being projected for that was not already in the District’s bank account, i.e., developer fees. She continued with reviewing additional key assumptions in terms of cost escalations related to salaries, capital construction, etc. She also reviewed the minimum and ideal target levels in terms of target reserves.

Ms. Largent reviewed details related to wastewater in terms of fund projections, capital projects, projections, and reserves. She talked about the revenue increases and rates, noting staff was recommending the Board adopt Option 2. She pointed out RMWD remains very competitive per the regional rate comparison.

Ms. Largent shared information related to the water current rates and reserve balances noting the current water rates were not sufficient to fund capital projects or maintain long-term solvency and that by Fiscal Year 2026, reserves would be depleted. She displayed charts showing RMWD’s current water rates and cash flow, water spending by category for Fiscal Year 2023, water purchases over the past two decades. She shared the current water capital five-year plan, as she explained the majority of the spending is for wholesale water efficiency projects that have a positive return of investment as well as reviewed the water projections. She pointed out the rate stabilization will be reestablished in Year 3 and will reach the target reserve balances in Year 5.

Ms. Largent presented the proposed water financial plan with the new proposed rates. She pointed out the Comprehensive Cost of Service Study determined the current rates would provide inadequate revenues to operate, maintain, and replace system assets to meet current and long-terms needs of the RMWD. She explained the required revenue increase of 9% over five years is needed to meet the District’s future obligations to ensure safe and reliable water supplies that are available 24 hours a day, 365 days per year. She talked about the water design category considerations as well as explained how vital it was the RMWD consider the possibility of the decline presented continuing and how RMWD will be impacted with the loss its agricultural customers.

(*) - Asterisk indicates a report is attached.

Ms. Largent talked about the five scenarios under consideration as well as the advantages and disadvantages associated with each. She pointed out the Board of Directors selected Scenario 1 for the rate hearing noticing due to this option providing more stable revenue recovery, less impactful on agriculture, as well as delays the risk of Scenarios 4 and 5 although Scenario 1 will be more impactful on residential customers in the short term. She displayed the bill impacts for single family residential customers based on low, average, and high usage for 3/4" meters noting the average customer bills will increase by approximately \$20.00 per month.

Ms. Largent concluded the presentation noting the reasons for the rate increase as well as the fact that staff recommends the adoption of Ordinance No. 23-04 as of July 1, 2023 with an annual water revenue adjustment of 9% for FY24 and up to 9% for FY25-FY28 and an annual wastewater revenue adjustment of 35% for FY24 and up to 13% for FY25-FY28.

Mr. Kennedy emphasized this was based on a worst-case scenario of decreasing demands in the future with no new customers or developments. He said the likelihood of actually raising rates to the proposed maximum amount is very, very small nor does it include RMWD receiving any type of grant funds.

President Hamilton pointed out since RMWD has no clear definitive date as to if and when detachment will occur, this rate model is based around continuing utilizing SDCWA as the District's wholesale provider.

Director Gasca inquired as to what type of impact would a potential \$10M developer fee have on the percentage increase. Ms. Largent explained a few of the options that would become available for consideration.

President Hamilton opened the public hearing at 1:50 p.m.

Ms. Washburn reported RMWD received four rate protest letters.

Carol Morris stated although she understands everything is increasing, it was all about expectations. She encouraged the Board to look outside San Diego County to determine if there could be a better means of charging customers, such as using tiers. She mentioned her water bill for a home in Irvine was much less than that for her current smaller home in Fallbrook. She noted her HOA fees have also increased over a short period of time due to increased water rates. She proposed RMWD look into ways to provide reclaimed or recycled water.

Rich Riggs mentioned he had missed any previous presentations related to this subject rate increases, but now has a better understanding. He stated of most concern was the wastewater rates increasing 20% each year for the next five years.

Mr. Kennedy addressed Ms. Morris' comments on the difference between RMWD and Irvine, noting RMWD was much more rural with 9,000 customers spread out against 86 square miles as opposed to Irvine that is much more condensed. He pointed out all RMWD's pipelines and assets are owned by its customers which is why there have been diligent efforts in getting its ratepayer committees and Board more involved in the process.

Mr. Kennedy addressed Mr. Riggs' comments noting RMWD has not increased wastewater rates for five years due to a combination of the pandemic as well as other events. He explained some of the wastewater challenges, including having an older system accommodating newer developments. He said although it is regrettable to have to forecast these increases; however, he does not anticipate any of these rate increases to be as high as they are going forward as new development occurs.

Director Gasca pointed out RMWD was significantly different than most Orange County districts in that many of those have their own groundwater that is very close to the surface. He explained RMWD is 100% dependent on imported water from SDCWA and how one of the reasons RMWD was seeking to leave SDCWA is because it is one of the best opportunities to reduce RMWD's water costs as well as potentially secure alternative water resources. President Hamilton added RMWD has explored every option for alternative water resources over the past six years; however, the costs for these projects are much higher than purchasing water from SDCWA.

President Hamilton closed the public hearing at 2:03 p.m.

Motion:

To adopt Ordinance No. 23-04.

Action: Approve, Moved by Director Mack, Seconded by Director Hamilton.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

President Hamilton thanked those public members who attended the meeting.

BOARD ACTION ITEMS

***21. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 23-12 APPROVING THE FISCAL YEAR 2023-2024 OPERATING & CAPITAL IMPROVEMENT BUDGET**

Ms. Largent explained her presentation titled "Proposed Annual Operating and Capital Budget, Water and Wastewater, Fiscal Year 2023/2024" had not changed since it was last presented to the Board as well as included a majority of the slides in the presentation that was shared under Item #20. She asked if the Board would like her to go through the presentation.

President Hamilton stated he did not need to see the presentation again.

Director Gasca asked if the budget would show exactly what was identified in the rate hearing presentation. Ms. Largent confirmed this was correct, and how the only difference would be more department level items that have not changed since the last time it was presented to the Board. Director Gasca asked members of the audience if they were interested in seeing the presentation. There were no comments from members of the audience.

Motion:

To approve Option 1 – Approve Resolution No. 23-12 adopting the 2023-2024 Budget in its present form.

(*) - Asterisk indicates a report is attached.

Action: Approve, Moved by Director Gasca, Seconded by Director Johnson.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

***22. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 23-15 — A RESOLUTION ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE JULY 1, 2023, THROUGH JUNE 30, 2024**

Ms. Harp stated per the MOU's with the three bargaining units that were approved a few years ago for a five-year term require the salary grade structure be adjusted according to the most recent twelve-month change in CPI for San Diego County. She noted the most recent publication date was May 2023 with a twelve-month change of 5.2%. She explained this resolution would increase the minimums and maximums of the pay grades by 5.2% in accordance with the terms of the MOU's. She pointed out this does not equate to a 5.2% base pay increase for RMWD staff because the MOU's cap the Cost-of-Living Adjustment at 2% for this year, but rather provides room for merit increases for employees according to their performance evaluation ratings.

Ms. Harp noted this resolution also changes two job classifications. She explained there was a Risk Management Officer position that is currently vacant and open for recruitment. She stated although this was a single-incumbent position previously, staff was proposing creating a series position that spread out over three grades to allow for potentially hiring in at a lower grade and expand RMWD's potential pool of applicants as well as offer one higher level as a promotional pathway to make it more attractive to potential applicants who may be willing to do another lateral move from another agency knowing RMWD has a promotional opportunity exists that may not be available at their current agency.

Ms. Harp also pointed out that given her position now oversee public relations in addition to human resources and risk management, a change to her title from HR Manager to Administrative Manager was being proposed at the same existing pay grade.

Motion:

To approve Option 1 - Approve Resolution No. 23-15.

Action: Approve, Moved by Director Johnson, Seconded by Director Hamilton.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

(*) - Asterisk indicates a report is attached.

***23. RAINBOW MUNICIPAL WATER DISTRICT ANNEX TO THE 2023 SAN DIEGO COUNTY MULTIJURISDICTIONAL HAZARD MITIGATION PLAN**

Ms. Harp stated this was an important resolution to formally adopt the District's annex to the San Diego County Multijurisdictional Hazard Mitigation Plan. She noted staff members have been working very closely with San Diego County Office of Emergency Services over the past couple of years to develop the plan in compliance with the requirements of both CalOES and FEMA. She mentioned the plan has been reviewed, submitted several months ago to both CalOES and FEMA, and was preapproved pending RMWD's Board adopting of this resolution.

Ms. Harp pointed out the benefit to RMWD for joining this plan is that it will allow RMWD to apply for grant funding to implement some of the mitigation identified in the plan. She stated there were three primary risks which have been classified in terms of their severity and likelihood of occurring i.e., wildfire, drought, and extreme weather events. She noted should RMWD ever decide to apply for grant funding for any risk mitigation efforts, having this plan adopted and joining the County's plan will allow RMWD to be eligible for those grants in the future. She added adoption of this resolution would be for RMWD to join the County's five-year plan that was adopted in February 2023 and will need to be readopted by RMWD Board action in 2028. She mentioned any minor changes to the plan such as staff name changes will be updated annually without Board action.

Director Johnson inquired as to whether Ms. Harp was referring to federal, state, and county grants. Ms. Harp stated it was her understanding these were mostly FEMA grants that are funneled through and processed through the state and county levels. She noted the primary contact was the San Diego County Office of Emergency Services who work with eighteen cities and other local districts in order to create the multijurisdictional plan which is submitted to CalOES who in turn submit it to FEMA for approval; therefore, grants funding could come from any one of them.

Director Mack asked whether there was a fee involved with joining this group. Ms. Harp stated there was no cost for RMWD to join this plan and how it was much less cumbersome and more cost effective than creating this plan from scratch. She also mentioned the County is applying for grant funding for a consultant to help all of these multijurisdictional agencies prepare their hazard mitigation plans for the 2028 renewal.

President Hamilton inquired as to whether there was any controls as to how grant funds are allocated. Ms. Harp said this may be something a grant specialist could answer. Discussion ensued.

Motion:

To adopt the resolution.

Action: Approve, Moved by Director Hamilton, Seconded by Director Townsend-Smith.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

(*) - Asterisk indicates a report is attached.

***24. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF A JOINT USE AGREEMENT (JUA) BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND SAN DIEGO GAS & ELECTRIC (SDG&E), (DIVISION 1)**

Mr. Williams mentioned Wayne Dollarhide and David Pallinger were present in the audience to answer any questions related to this matter.

Mr. Williams explained this was a unique situation where the developer is granting two agencies a mutual agreement. He noted RMWD had its existing water facilities through back country in which a subdivision is currently being developed and how those water lines are being abandoned and relocated into private roadways. He stated when the developer first approached RMWD, SDG&E wanted to have the senior rights for the easement; however, since RMWD was not willing to relinquish its senior rights, RMWD proposed executing a Joint Use Agreement under which neither agency would need to seek permission to access the easement to work on their respective facilities.

Mr. Williams noted this agreement has been reviewed by both Mr. Kennedy and Legal Counsel, there was no fiscal impact to RMWD, and allows the water and sewer lines to be in an easement that is to also be shared with SDG&E.

President Hamilton inquired as to whether RMWD's original easement extended over to where SDG&E's were located. Mr. Williams explained when this easement was granted, it was then determined SDG&E also needed the same overlap; therefore, RMWD needed to find a means of allowing SDG&E access without giving up its senior rights which was found with this Joint Use Agreement.

Director Johnson asked whether this matter was discussed with the Engineering and Operations Committee meeting. Mr. Williams explained this had not yet been finalized when the committee met on June 7th; however, the committee was told there would most likely be an item related to this matter brought to the Board today for consideration.

Mr. Pallinger pointed out this was a very limited scope on the joint use and not over the entire project. He noted Mr. Williams has been great to work with in figuring this out. Discussion ensued. Director Gasca asked whether the power was located above RMWD's water line. Mr. Pallinger confirmed it was above as well as that it only occurred in one location.

Mr. Pallinger complimented RMWD's staff, noting they are always incredibly professional and responsive, making RMWD one of the best agencies with which to work. Mr. Williams pointed out it took a great deal of effort by everyone involved to be able to reach some type of mutual compromise that worked for all parties. Mr. Pallinger confirmed SDG&E agreed with this solution.

Motion:

To approve Option 1 - Make a determination that the action defined herein does not constitute a "project" as defined by CEQA and authorize the General Manager and General Counsel to continue to negotiate with SDG&E and the Developer and execute the Joint Use Agreement with SDG&E on behalf of the District.

Action: Approve, Moved by Director Gasca, Seconded by Director Johnson.

(*) - Asterisk indicates a report is attached.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

24A. DISCUSSION AND POSSIBLE ACTION OPPOSING AB399 (FORMERLY AB530)

President Hamilton noted this item is related to the change in the definition of voting districts in the SDCWA Act.

Mr. Kennedy explained in May 2023, SDCWA caused a legislator in Encinitas to introduce AB530 which was previously a climate change bill that was amended to be used as a means of trying to force a SDCWA-wide vote on the detachment matter should LAFCO approve the detachment. He mentioned current state law is very clear that should LAFCO approve the detachment, an election for confirmation by voters would be held separately with one vote in RMWD's service area and one vote in FPUD's service area. He stated not satisfied with this and because AB530 did not get out of the Assembly, SDCWA had to shift and find a new bill already through the Assembly that was in the Senate, AB399. He noted AB399 began its life as a bill to require certain record keeping and data monitoring on police chases which SDCWA convinced another legislator from the Bay area to give up and hand it over to Assembly Member Boerner in Encinitas who then changed it to replace it with the same language in AB530. He said, in addition to this, SDCWA informed LAFCO, who documented it in their process they held a few weeks ago, of their intent to put this through as an urgency bill that does not follow the normal course of action. He explained in order to attempt to do an "end run" on LAFCO who was then scheduled to meet on August 7, 2023, SDCWA has converted this to an urgency bill that could be rushed through the Assembly and Senate and then potentially placed on the Governor's desk as in July for consideration. He pointed out urgency bills are a little different in the California Constitution in that it is specified these bills are to be about health, safety, and immediate matters; however, SDCWA decided to proceed this way although it is believed there is nothing about this matter that would meet the Constitution's criteria. He noted urgency bills also require a two-thirds vote by both the Assembly and Senate to get it before the Governor.

Mr. Kennedy mentioned a number of other water agencies have come out against the action taken by SDCWA; therefore, he wanted to seek authorization from the Board to agree to formally oppose AB399 and allowing him to use some of his spending authority as RMWD's General Manager to take the necessary steps to engage and work with the appropriate legislators in Sacramento to oppose this bill in conjunction with the other entities who are also in opposition.

A member of the public mentioned FPUD voted yesterday to support their General Manager's spending in opposition of this matter. Discussion ensued.

Motion:

The Board formally oppose the legislation.

Action: Approve, Moved by Director Gasca, Seconded by Director Mack.

President Hamilton offered an amendment to the motion. Director Gasca agreed to the amendment.

Motion:

The Board oppose any form of modification to the voting rights within the SDCWA Act regardless of what bill number it is assigned and authorize the General Manager to spend reasonable funds in lobbying against this bill.

Action: Approve, Moved by Director Gasca, Seconded by Director Mack.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

***25. DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS ELECTIONS SEAT C**

Mr. Kennedy noted this was the upcoming annual election with three candidates listed. Discussion followed.

Motion:

To support John Skerbelis.

Action: Approve, Moved by Director Gasca, Seconded by Director Mack.

Vote: Motion passed (summary: Ayes = 3, Noes = 0, Abstain = 2).

Ayes: Director Gasca, Director Hamilton, Director Mack.

Abstain: Director Johnson, Director Townsend-Smith.

***26. DISCUSSION AND POSSIBLE ADOPTION OF RESOLUTION NO. 23-13 CONGRATULATING SANTA FE IRRIGATION DISTRICT (SFID) ON ITS 100TH ANNIVERSARY**

Mr. Kennedy stated this was an opportunity to show support for SFID. He noted if approved, a copy of the resolution will be placed in a nice frame and sent to SFID.

Motion:

To approve Option 1 - Adopt Resolution No. 23-13 recognizing SFID's centennial anniversary as presented.

Action:

Approve, Moved by Director Hamilton, Seconded by Director Johnson.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

(*) - Asterisk indicates a report is attached.

27. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

Director Johnson stated she would like to attend the SDLA in February 2024.

CONSENT CALENDAR ITEMS

- *28. APPROVAL OF RESOLUTION NO. 23-14 ESTABLISHING CHECK SIGNING AUTHORITY**
- *29. NOTICE OF COMPLETION AND ACCEPTANCE OF INFRASTRUCTURE FOR FAIRVIEW DEVELOPMENT BY FORESTAR (USA) REAL ESTATE GROUP, INC. (DIVISION 1)**

Motion:

To accept the consent items.

Action: Approve, Moved by Director Hamilton, Seconded by Director Gasca.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

BOARD INFORMATION ITEMS

30. DETACHMENT UPDATE

Mr. Kennedy reported on the June 5, 2023 LAFCO meeting, noting there was a number of people in attendance commented on the matter including some from both the Rainbow and Fallbrook areas. He noted the Commission was unable to reach a conclusion; therefore, the item was continued to August 7, 2023. He mentioned subsequent to this continuation, after learning about the AB530/AB399 matter, LAFCO called an emergency meeting on June 14, 2023 at which time the Commission took both a position in opposition to AB530/AB399 as well as to move up the hearing date to 8:00 a.m. on Monday, July 10, 2023.

A member of the public inquired as to what will occur should LAFCO approve the detachment. Mr. Kennedy explained depending upon whether there is a litigation phase or not, there will be a whole series of steps LAFCO following which the elections will be scheduled. He stated he does not anticipate an election will take place prior to Fall 2023.

***31. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Operations Comments**
 - 1. Operations Report
- C. Engineering Comments**
 - 1. Engineering Report
 - 2. As-Needed Services Expenditures Summary
 - 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

(*) - Asterisk indicates a report is attached.

D. Human Resource & Safety Comments

1. Human Resources Report

E. Finance Comments

1. Board Information Report
 - A. Budget vs. Actuals
 - B. Fund Balance & Developer Projections
 - C. Treasury Report
 - D. Five Year Water Purchases Demand Chart
 - E. Water Sales Summary
 - F. Check Register
 - G. Directors' Expenses Report
 - H. Credit Card Breakdown
 - I. RMWD Properties
 - J. Grant Progress Report

The information and financial items were received and filed.

32. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

It was noted that a wastewater loan proposal, CropSwap program report, and grant progress update should be on the next Board meeting agenda.

Director Johnson thanked the Board for her Challenge Coin. She said it was very special and meaningful to her.

33. ADJOURNMENT

The meeting was adjourned by President Hamilton to a regular meeting on July 25, 2023 at 1:00 p.m.

The meeting was adjourned at 2:50 p.m.

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.